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STATE AUDIT

July 15, 2015

Ms. Deborah V. Loveless, CPA, Director  
Division of State Audit  
Suite 1500, James K. Polk Building  
505 Deaderick Street  
Nashville, Tennessee 37243-1402

Dear Ms. Loveless:

Per your request, attached is the follow-up report of the of Division of Health Care Finance and Administration's actions concerning the implementation of the recommendations in the performance audit of the Bureau of TennCare released in December 2014. Corrective action has been taken on all recommendations.

If you have questions, or wish to review supporting documentation, please contact Vicki Guye, Director, Audit and Investigations at (615) 507-6407 or Vicki.Guye@tn.gov.

Sincerely,

A handwritten signature in black ink that reads "Darin J. Gordon" followed by a stylized "WK" monogram.

Darin J. Gordon  
Deputy Commissioner

Attachment

cc: Commissioner Larry Martin, Department of Finance and Administration  
Mr. Jeff Spalding, Executive Director, Fiscal Review Committee

**Bureau of TennCare  
Report on Status of Performance Audit Recommendations  
Issued by the Comptroller of the Treasury  
Released in December 2014  
Status at June 30, 2015**

**Prior Audit Findings (April 2011 Performance Audit) – Provider Database**

**Partially Resolved Issue – Provider database completeness and accuracy have improved, but problems remain.**

As indicated in a prior response, the transition to a new Provider Database Management System (PDMS) began in September 2012. This transition was spaced over three years to allow for an orderly and non-disruptive transition of the different provider types. As of April 2015, all provider types can now register electronically. This electronic process ensures complete files as well as consistent data entry formats. To date, 25,330 individual providers, 4,193 single/multi-specialty group providers and 778 entity providers have successfully completed electronic registration and/or re-validation. All new providers are required to register using the online process. All active providers that have not yet re-validated will be notified to re-validate their profiles over the course of the next few months.

The third and final phase of electronic provider registration was implemented in April of this year. Following a stabilization period, resources have now been dedicated to maintenance and operations of the system. One of the items included in the next scheduled software release is new reporting functionality with export capabilities, which will facilitate tracking registration processing times.

**Finding – The Bureau of TennCare should distribute easy-to-understand information about the CHOICES application process.**

To help applicants better understand the CHOICES application process, we have worked with stakeholders, applicants and TennCare's readability expert to develop/enhance the following easy to understand applicant materials with an anticipated implementation date of August 1, 2015:

1. A system generated postcard to applicants when a PAE is submitted. It explains that the PAE application was received and outlines what to expect next, including timelines. The postcard also contains contact information for TennCare's Division of Long Term Services and Supports. A draft sample of this postcard is included as Attachment A.
2. Changes to the formatting of notices that are more difficult to understand (including the example provided in the finding) to further improve readability. These notices now include easy-to-understand thumbnails to assist with navigating the letter without compromising the integrity of notice content as required to ensure federal compliance. An example of the current version is included as Attachment B. A draft of the reconfigured letter is included as Attachment C.

3. Finally, we performed a thorough review of the website, checking links and phone numbers to ensure that CHOICES applicants can easily navigate to the "How to Apply" and "How to qualify" pages. The easy-to-understand information provided on the website is available in Attachment D.



## CHOICES PAE Information



You applied for CHOICES. A Pre Admission Evaluation (PAE) application for TennCare to pay for your long term care was sent to TennCare on your behalf. Within 8 business days, we will decide if you meet the medical rules for CHOICES using this application. You will be getting a letter about our decision. The letter you get will tell you what to do next. If you have questions about your application, letters we send or CHOICES, please contact us using the information below.

Phone: 877-224-0219

E-mail: [LTC.Operations@tn.gov](mailto:LTC.Operations@tn.gov)

Website: [tn.gov/tenncare](http://tn.gov/tenncare)

*Setting the standard in health care management by delivering high quality, cost effective care that results in improved health and quality of life for eligible Tennesseans*

**TennCare LTSS**

PO Box 740  
Nashville TN 37202-740

Phone: 877-224-0219  
E-mail: LTC.Operations@tn.gov  
Website: tn.gov/tenncare

PLEASE  
PLACE  
STAMP  
HERE

Mailing Address Line 1  
Mailing Address Line 2  
Mailing Address Line 3  
Mailing Address Line 4  
Mailing Address Line 5





STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION  
**BUREAU OF TENNCARE**  
310 Great Circle Road  
NASHVILLE, TENNESSEE 37243

<Applicant Name>  
<Applicant Address>  
<Applicant Address>

<Today's Date>

RE: Applicant: <Applicant Name>  
Date of Birth: <Applicant DOB>  
Date PAE is Approved to Start: <PAE Approved Effective Date>  
PAE Control Number: <Last 5 digits of PAE Control Number, including Recert or Rev>

Dear <Applicant Name>:

**We have approved your Pre-Admission Evaluation (PAE) for nursing home care.**

This means that you meet the medical rules to get care in a nursing home. It also means you meet the medical rules to get home care instead of nursing home care. (These are also called Home and Community Based Services or HCBS.)

But, before TennCare will pay for your nursing home care, there are other rules you must meet. You must meet **all** of the rules to enroll in the TennCare CHOICES in Long-Term Care Program (CHOICES).

To qualify for **nursing home care** in CHOICES:

- You must need the level of care provided in a nursing home (have an approved PAE). We've already approved your PAE.
- **And**, you must qualify to have Medicaid pay for your long-term care.

**Do you already have Medicaid?** If so, there are other rules you must meet before TennCare can pay for long-term care. TennCare Member Services will make sure you meet those rules. Your TennCare health plan (MCO) will help you get TennCare Member Services the facts and papers they need to decide. If you don't meet the rules for long-term care, TennCare Member Services will send you a letter. It will say how to appeal if you think they made a mistake.

**What if you don't already have Medicaid?** Then you must apply with TennCare Member Services. Do this as soon as you can. Your local Area Agency on Aging and

Disability (AAAD) can help you apply. Call them at **1-866-836-6678**. Tell them you have an approved PAE for CHOICES and need help applying for Medicaid. Or, you can send your application to TennCare by fax at 1-855-315-0669 or by mail at P.O. Box 305240, Nashville, TN 37230-5240. The nursing home can also help you apply.

TennCare Member Services will tell you what facts and papers they need from you to decide if you can get Medicaid. After they decide, TennCare Member Services will send you a letter that says if you can get Medicaid. If can't get Medicaid, their letter will tell you why. And it will tell you how to appeal if you think they made a mistake.

- **And**, you must be admitted to a nursing home. That nursing home must tell TennCare the date you need us to start paying for your nursing home care.

If we decide you meet **all** of these rules, we'll enroll you in CHOICES. You'll get a letter from us that says when your CHOICES starts.

Do you have questions? Call TennCare Long Term Services and Supports (LTSS) for free at **1-877-224-0219**. In Nashville, call **507-6964**.

**Do you want to know more about CHOICES home care?** Since you qualify for nursing home care, you may be able to choose home care instead. We must be able to safely meet your needs at home. And, your care at home cannot cost more than nursing home care. This includes the cost of home health care or private duty nursing. To find out more about home care, if you already have TennCare, call your TennCare health plan (MCO). Their number is on your TennCare ID card. If you don't have TennCare, call your local Area Agency on Aging and Disability at **1-866-836-6678**.

**Do you need help with this letter?**

Is it because you have a health, mental health, or learning problem or a disability? Or, do you need help in another language? If so, you have a right to get help, and TennCare can help you. Call TennCare Solutions at **1-800-878-3192**.

- **Do you have a mental illness and need help with this letter?**  
The TennCare Advocacy Program can help you. Call them for free at **1-800-758-1638**.
- If you have a hearing or speech problem call us on a TTY/TDD machine. Our **TTY/TDD** number is **1-866-771-7043**.

¿Habla español y necesita ayuda con esta carta? Llámenos gratis al **1-800-878-3192**.

**We do not allow unfair treatment in TennCare.** No one is treated in a different way because of race, color, birthplace, religion, language, sex, age, or disability. Do you think you've been treated unfairly? Do you have more questions? Do you need more help? If you think you've been treated unfairly, call the Tennessee Health Connection for free at **1-855-259-0701**.

## **What is Estate Recovery and what does it mean for you?**

Your **“estate”** is made up of the things you own that you leave behind when you die. It includes your money, your home, other property, or other things you own.

**Estate recovery** is using the value of things you leave behind when you die to pay TennCare back for care you received while you were living.

### **Why you have to pay TennCare back for your care**

TennCare, including CHOICES services, are paid for by the State and federal government. If TennCare pays for any of your care, TennCare is required by federal law to try to get paid back for that care after your death.

TennCare **must** ask to be repaid for money it spent on your care if you are:

- Any age and got nursing home care if you weren't expected to return home
- Or age 55 and older and got nursing home care, home care, home health or private duty nursing.

TennCare **must** ask to be repaid for these services:

- Nursing home care
- Home care (CHOICES home care as well as home health or private duty nursing)
- Hospital care and prescription drugs you got while you're in CHOICES.

TennCare can also ask to be paid back for the cost of **any other services** we paid for.

TennCare can't ask for the money back until **after** your death. TennCare can't ask for more money back than we paid for your care. And TennCare can't ask your family to pay for your care out of their own pockets.

### **Sometimes TennCare may not have to get the money back from your estate.**

These times are:

- If you leave very little money or property when you die
- If your care did not cost much
- If the things you left can't be used to pay people you owe through probate court.  
An example is life insurance money.

But these times do not happen by themselves. The person handling your things after you die **must get a Release from TennCare**. It says you don't owe TennCare money. If your things have to go through Probate court, the Release must be filed there.

### **Sometimes TennCare must let your money or property stay in the family longer.**

These times are if you leave your money or property to:

- Your surviving husband or wife
- Your child who is under age 21 when you die
- Or your child of any age who is blind or permanently and totally disabled.



TennCare won't try to get repaid until this family member dies or the child turns age 21. But the person who handles your things **must** file the TennCare Release in Probate Court.

**Sometimes TennCare must let just your HOME stay in the family longer.**

This happens when one of these family members lives in the home when you die:

- Your surviving husband or wife
- Your child who is under age 21 when you die
- Your child of any age who is blind or permanently and totally disabled
- Your child who lived in the home and took care of you if this care kept you out of a nursing home or home care for 2 years
- Or your brother or sister who helped make the house payments if they lived there for a year before you got nursing home or home care.

By law, TennCare should not take the house until these family members die or the child turns 21. But the person who handles your things **must** file the TennCare Release in Probate court.

**TennCare may leave your money and property in the family because of undue hardship.**

But the State does not do this very often. The family must prove that losing the money or property in your estate will cause an undue hardship. For example, if your property is a family farm and the family's only income, then the person handling your things can ask the State not to take the property. The State may or may not agree.

**The person handling your things after you die may apply for a Release in one of three ways:**

1. They can get the Release online at [www.tn.gov/tenncare/forms/releaseform.pdf](http://www.tn.gov/tenncare/forms/releaseform.pdf)
2. They can get the Release from the Probate Court Clerk's office by asking for a "Request for Release from Estate Recovery".
3. They can get the Release from TennCare by sending a letter or fax to:

Bureau of TennCare  
Estate Recovery Unit  
310 Great Circle Road  
Nashville, TN 37243  
FAX: (615) 413-1941

All of the information asked for in the Release must be included. And they must provide any other information TennCare requests to decide if the Release will be given.



STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION  
**BUREAU OF TENNCARE**  
310 Great Circle Road  
NASHVILLE, TENNESSEE 37243

<Applicant Name>  
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RE: Applicant: <Applicant Name>  
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**Here's what  
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**Here's what  
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But, before TennCare will pay for your nursing home care, there are other rules you must meet. You must meet **all** of the rules to enroll in the TennCare CHOICES in Long-Term Care Program (CHOICES). To find out more about the rules you must meet, read the attached page called "To Qualify for nursing home care in CHOICES".

**Here's what we  
will do next**

If we decide you meet **all** of these rules, we'll enroll you in CHOICES. You'll get a letter from us that says when your CHOICES starts. If we decide you don't meet all the rules, you will get a letter that will tell you why. And it will tell you how to appeal if you think we made a mistake.

**Contact us**

Do you have questions? Call TennCare Long Term Services and Supports (LTSS) for free at **1-877-224-0219**. In Nashville, call **507-6964**.

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  - c. TennCare Member Services will tell you what facts and papers they need from you to decide if you can get Medicaid. After they decide, TennCare Member Services will send you a letter that says if you can get Medicaid. If can't get Medicaid, their letter will tell you why. And it will tell you how to appeal if you think they made a mistake.
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Bureau of TennCare  
Estate Recovery Unit  
310 Great Circle Road  
Nashville, TN 37243  
FAX: (615) 413-1941

All of the information asked for in the Release must be included. And they must provide any other information TennCare requests to decide if the Release will be given.

# To Qualify for CHOICES

To qualify for and remain in CHOICES Groups 1 and 2, you must:

- Need the level of care provided in a nursing home; AND
- Qualify for Medicaid long-term services and supports.

To qualify for Medicaid long-term services and supports: (1) Your income can't be more than \$2,199 per month (If it is, you may be able to set up a Qualifying Income Trust); (2) The total value of things you own can't be more than \$2,000 (The home where you live doesn't count); **AND** (3) You can't have given away or sold anything for less than what it's worth in the last five (5) years.

To qualify for and remain in CHOICES Group 3, you must:

- Be "at risk" of needing the level of care provided in a nursing home unless you receive home care; AND
- Be getting SSI (Supplemental Security Income) payments from the Social Security Administration.

There are three CHOICES groups:

**CHOICES Group 1** is for people of all ages who receive **nursing home care**.

**CHOICES Group 2** is for adults (age 21 and older) with a physical disability and seniors (age 65 and older) who qualify to receive nursing home care, but choose to receive home care services instead.

**CHOICES Group 3** is for adults (age 21 and older) with a physical disability and seniors (age 65 and older) who **don't** qualify for nursing home care, but need a more moderate package of home care services to delay or prevent the need for nursing home care.

To enroll in CHOICES and receive home care services:

- (1) Your TennCare health plan (or Managed Care Organization) must be able to meet your needs safely at home; AND
- (2) If you qualify for nursing home care, the cost of your home care can't be more than the cost of nursing home care. The cost of your home care includes any home health or private duty nursing care that you need. If you **don't** qualify for nursing home care but are "at risk" of needing nursing home level of care, the cost of your CHOICES home care can't be more than \$15,000 per year. That doesn't include the cost of any minor home modifications you may need.

# How to Apply For long-term services & supports.

Do you already have TennCare?

- Yes I already have TennCare:

**If you have TennCare**, you can call your TennCare health plan (MCO). The number is on your TennCare card. If you are or represent an individual with intellectual disabilities, you can call the Department of Intellectual and Developmental Disabilities (DIDD) for free at 1-800-535-9725.

- No I do NOT have TennCare:

**If you don't have TennCare**, contact your local Area Agency on Aging and Disability (AAAD) for free at 1-866-836-6678. Even if you don't qualify for Medicaid, they can tell you about other programs that may help. For individuals with disabilities, including anyone applying for CHOICES, a representative from the AAAD can come to an applicant's house to help apply. Applicants applying for nursing home care can also call us at 1-855-259-0701 for help over the phone.